

May 22nd, 2006

Mr. Andy S. Pollock
Executive Director
Nebraska Public Service Commission
300 The Atrium
1200 N Street
Lincoln, Nebraska
68509-4927

Re: Application No. NG-0035/PI-115

Dear Mr. Pollock:

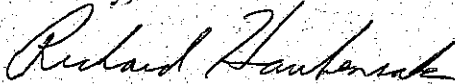
Cornerstone Energy is a certified natural gas marketer in Nebraska marketing only to commercial and industrial customers. Cornerstone does not participate in the Kinder Morgan choice program but believes the issues being addressed could affect Cornerstone's business in Nebraska and wishes to make the following comments.

1. Almost all natural gas marketers in Nebraska as well as in other states include in their basic service the functions described in the Commission order dated May 2nd as being a "natural gas aggregator". Besides getting customers a marketer must determine total volumes on a daily, monthly, and annual basis, their load factors, and nominate daily volumes in such a way to minimize out of balance penalties on the local utilities gas distribution system. It is questionable just how much value an aggregator that does not also provide the gas supply brings to the customer.
2. The order questions whether new rules should be developed to address the relationship between aggregators and suppliers in a customer choice program. Whether for Kinder Morgan's customer choice program or for transportation services in general there is no reason to develop new rules. Cornerstone believes the current rules are satisfactory.
3. The remainder of the questions raised by the Commission order have to do with whether a marketer is required to negotiate with an aggregator or with a pool of customers not represented by an aggregator. In general if an "aggregator" is credible and is able to aggregate a worthy amount of volume a marketer would most likely accommodate them. The same would apply to a pool of customers representing themselves. There are about ten certified marketers in Nebraska

looking for new customers. But it should be up to the supplier to make the decision and what the price should be since the supplier is still having to evaluate the customer pool's volumes and load profile and then line up the gas supply and make daily nominations as accurately as possible to avoid penalties.

Thank you for the opportunity to comment on these issues. Cornerstone would welcome the opportunity to further discuss these issues whether at a hearing or at a workshop.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Haubensak".

Richard Haubensak
Cornerstone Energy